

Message Text

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PAGE 01 USNATO 00759 01 OF 02 241225Z

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 PM-05 INR-07 L-03
ACDA-12 NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06
TRSE-00 DODE-00 EB-08 COME-00 FRB-03 OES-07 OMB-01
/097 W

-----117605 241307Z /50

R 241208Z JAN 78

FM USMISSION USNATO
TO SECSTATE WASHDC 8899
INFO ALL NATO CAPITALS
AMEMBASSY BERLIN
AMEMBASSY BUDAPEST
AMEMBASSY BUCHAREST
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL MUNICH
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW
USMISSION GENEVA
USNMR SHAPE BE

C O N F I D E N T I A L SECTION 01 OF 02 USNATO 00759

BRUSSELS ALSO FOR USEEC
PARIS ALSO FOR USOECD

E.O. 11652:GDS
TAGS: EGEN, NATO, COMECON, XH
SUBJECT: ECONADS: 1978 NATO COLLOQUIUM ON SOVIET
ECONOMIC GROWTH

REFS: (A) 77 USNATO A-374; (B) 77STATE 303929(NOTAL)
(DTG 211929Z DEC 77)
SUMMARY: ACADEMICS AND BANKERS SPEAKING AT THE
NATO COLLOQUIUM WERE MORE OPTIMISTIC ON SOVIET GROWTH
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PAGE 02 USNATO 00759 01 OF 02 241225Z

RATES AND WESTERN CREDIT AVAILABILITIES THAN THE
ASSESSMENTS OF ALLIED GOVERNMENT ANALYSTS. THE
DIFFERENCES WERE MODEST, HOWEVER, AND
NOTHING FLOWED FROM THE COLLOQUIUM WHICH REQUIRED
ALTERATION TO NATIONAL INPUTS FOR THE ECONOMIC
PORTIONS OF THE ALLIANCE EAST-WEST STUDY. ON ITS OWN
TERMS, THE 1978 ITERATION OF THE COLLOQUIUM WAS

SUCCESSFUL, THE BEST ATTENDED SO FAR, AND AN IMPROVEMENT OVER RECENT YEARS. END SUMMARY.

1. THE JAN 17-19 COLLOQUIUM SPONSORED BY THE NATO ECONOMIC DIRECTORATE WAS ONE OF THE BEST-ATTENDED AND MOST SUCCESSFUL IN THE SERIES DATING BACK TO 1971. ITS TOPIC, "THE USSR IN THE 1980S: PROSPECTS FOR GROWTH AND THE ROLE OF FOREIGN TRADE", HAD SOMETHING FOR EVERYONE. THE TOP-NOTCH LEVEL OF THE PANELISTS (E.G. PROF. ABRAM BERGSON OF HARVARD, LAWRENCE BRAINARD OF BANKERS TRUST) AND THE QUALITY OF THEIR PRESENTATIONS DREW APPRECIATION FROM THE VARIOUS OFFICIAL OBSERVERS, US AND FOREIGN. CONTRASTED WITH EARLIER YEARS, THE PHYSICAL ARRANGEMENTS WERE MUCH IMPROVED: THERE WAS ROOM FOR EVERYONE AND ALL HAD ACCESS TO INTERPRETATION. THE MAIN ADVERSE CRITICISM, ECHOING PREVIOUS YEARS, WAS INADEQUATE TIME FOR QUESTION-AND-ANSWER DISCUSSION FROM THE FLOOR.

2. THE SCHEDULE IN REF A REMAINED ACCURATE EXCEPT THAT DR. MACHOWSKI, OF THE GERMAN INSTITUTE FOR ECONOMIC RESEARCH (DIW) IN BERLIN, FELL ILL AND COULD NOT ATTEND AND THAT Z.B. FALLENBUCH, OF THE UNIVERSITY OF WINDSOR, CANADA, WAS ADDED AS CO-RAPPORTEUR FOR THE JAN 18 AFTERNOON DISCUSSION ON THE IMPACT OF FOREIGN TRADE ON SOVIET GROWTH.
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PAGE 03 USNATO 00759 01 OF 02 241225Z

3. WASHINGTON OBSERVERS FROM EUR/RPE, EUR/SOV, INR/REC, BEWT, TREASURY, DIA, AND OER (REF B) HAVE CARRIED BACK COPIES OF THE COLLOQUIUM PAPERS. UNTIL THE PUBLICATION LATER THIS YEAR OF THE PRINTED PROCEEDINGS, WE ASK THAT THOSE OBSERVERS MAKE THEIR COPIES OF THE TEXTS AVAILABLE TO OTHER INTERESTED USG PARTIES. WE HOPE TO OBTAIN SUMMARIES OF THEIR PRESENTATIONS PREPARED BY SOME RAPPORTEURS AND PLAN TO TRANSMIT THEM, AS WELL AS LISTING OF PARTICIPANTS, BY AIRGRAM.

4. AS NOTED IN REF A, THE NATO ECONOMIC COMMITTEE HELD A CLASSIFIED POST-COLLOQUIUM CRITIQUE ON JAN 20. OFFICIAL OBSERVERS FROM CANADA (SOLEM, DND), NETHERLANDS (MICHEL, MFA), NORWAY (AMUDSEN, COMMERCE, AND LANDSVERK, DEFENSE), UK (CHAMBERLAIN, DEI, AND MARSHALL, FCO), AND US PER REF B), PLUS EMBASSY MOSCOW, BUDAPEST AND SOFIA REPS) ATTENDED. SUBSTANTIVE COMMENTS REFLECTED THE PARTICULAR INTERESTS OF THE INDIVIDUAL EXPERTS, BUT THE GENERAL ASSESSMENT FOLLOWED THAT IN PARA 1, ABOVE. THE GOVERNMENT EXPERTS NOTED THAT GROWTH PROJECTIONS VOICED DURING THE COLLOQUIUM WERE SOMEWHAT HIGHER THAN THEIR OWN

CLASSIFIED, "OFFICIAL", ESTIMATES, BUT NOT BY SUCH
A RANGE TO REQUIRE AMENDMENT OF THE ECONOMIC PORTIONS
OF THE ALLIANCE EAST-WEST STUDY. THEY WERE ALSO STRUCK
BY THE OPTIMISTIC ASSESSMENTS OF THE LIKELY AVAILABILITY
OF WESTERN CREDITS MADE DURING THE COLLOQUIUM BY PANELISTS
FROM THE BANKING AND PRIVATE INDUSTRIAL WORLDS (E.G.,
DAMM OF COMMERZBANK, MCMINAMIN OF ITERNNATIONA
INTERNATIONAL HARVESTER).

5. ATTENDEES AT THE CRITIQUE EXPRESSED REGRET THAT
THERE WAS LITTLE DISCUSSION - BEYOND ONE PAPER BY

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PAGE 01 USNATO 00759 02 OF 02 241228Z
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/097 W

-----117655 241306Z /50

R 241208Z JAN 78
FM USMISSION USNATO
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C O N F I D E N T I A L SECTION 02 OF 02 USNATO 00759

PROFESSOR SAWYER OF HARVARD - ON THE IMPACT OF SOVIET
ENERGY PROBLEMS ON GROWTH PROSPECTS. UK AND
FRG REPS REITERATED THEIR BELIEF THAT THE CIA FORECASTS
OF SERIOUS DETERIORATION IN SOVIET PETROLEUM
SUPPLIES (INCLUDING A SHIFT FROM NET EXPORT TO NET
IMPORT BY 1985) WERE TOO PESSIMISTIC, ALTHOUGH THE NORWE-
GIAN (LANDSVERK) RECALLED HIS VIEW THAT DEI AND DIW

HAD BEEN UNABLE TO PROVIDE CONVINCING REFUTATION
OF THE DETAILED CIA ANALYSIS PROVIDED ECONADS LAST OCTO-
BER. BENNETT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, FINANCIAL TRENDS, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978USNATO00759
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780035-0520
Format: TEL
From: USNATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780127/aaaaawmw.tel
Line Count: 172
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f2d8a1e0-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 USNATO A-374, 77 STATE 303929
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3720438
Secure: OPEN
Status: NATIVE
Subject: ECONADS: 1978 NATO COLLOQUIUM ON SOVIET ECONOMIC GROWTH
TAGS: EGEN, ECON, XH, UR, NATO, COMECON
To: STATE USEEC MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f2d8a1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014